

Notes and Brief Reports

State-Chartered Credit Unions in 1962*

Credit unions have served the credit and thrift needs of the American people for more than half a century. Since the enactment of the first credit union law in Massachusetts in 1909, these cooperative associations—some under Federal charter and others chartered by the States—have helped millions of people to help themselves to a better way of life and a higher standard of living.

In 1962, credit unions were operating under the laws of 44 States, the District of Columbia, and Puerto Rico. Six States—Alaska, Delaware, Hawaii, Nevada, South Dakota, and Wyoming—and the Canal Zone, Guam, and the Virgin Islands have no provisions for chartering credit unions under local law but are covered by the Federal Credit Union Act.

The Bureau of Federal Credit Unions first col-

TABLE 2.—Total amount of loans and amount of real-estate loans made by State-chartered credit unions, 27 States, 1962¹

State	Loans outstanding end of year		Loans made during year	
	Total	Secured by real estate	Total	Secured by real estate
Total, 27 States	\$2,175,951,777	\$455,307,312	² \$2,070,000,000	² \$102,000,000
Ala.....	49,030,121	5,241,504	59,151,514	(³)
Ariz.....	10,156,809	384,027	9,453,278	(³)
Calif.....	340,124,745	47,735,552	307,087,818	(³)
Colo.....	55,456,112	8,516,080	55,708,875	2,913,119
Fla.....	59,072,582	4,437,441	82,393,218	(³)
Iowa.....	67,234,584	7,772,925	70,628,822	3,262,024
Kans. ⁴	37,295,649	3,136,466	(³)	(³)
Maine.....	7,138,142	25,530	(³)	(³)
Mass.....	171,291,016	75,108,285	(³)	(³)
Mich.....	283,280,384	52,476,352	287,246,220	4,695,921
Minn.....	159,357,027	58,837,273	91,600,877	(³)
Mo. ⁴	120,834,914	24,869,167	(³)	(³)
Nebr.....	18,089,501	4,468,578	(³)	(³)
N. H. ⁵	9,117,636	3,773,845	(³)	(³)
N. Mex.....	6,955,054	649,834	(³)	(³)
N. Dak.....	11,788,260	1,186,831	7,665,403	(³)
Ohio.....	167,829,950	18,902,823	196,072,462	(³)
Okla.....	32,061,309	1,301,229	(³)	(³)
Oreg.....	29,584,129	2,277,508	28,639,673	843,360
R. I.....	66,411,238	36,923,911	35,395,190	8,649,250
S. C.....	10,332,900	1,898,082	10,995,765	1,499,416
Tex.....	142,956,406	10,202,679	189,623,730	3,354,469
Utah.....	49,079,619	4,779,714	42,613,713	1,713,769
Vt.....	6,273,887	635,744	(³)	(³)
Wash.....	78,073,563	9,004,112	86,406,994	2,562,953
W. Va.....	3,420,112	296,656	3,384,173	610,054
Wis.....	183,706,128	70,464,864	116,399,066	15,665,148

¹ States reporting on real-estate loans. Data are for year ended Dec. 31, unless otherwise noted.

² Includes estimates for States not reporting.

³ Data not reported.

⁴ Fiscal year ended Sept. 30.

⁵ Fiscal year ended June 30.

TABLE 1.—Development of State-chartered credit unions, 1925-62

Year	Number of credit unions		Number of members	Assets
	Active	Reporting		
1925.....	419	176	108,000	(¹)
1929.....	974	838	264,908	(¹)
1931.....	1,500	1,244	286,143	\$33,645,343
1932.....	1,612	1,472	301,119	31,416,072
1933.....	2,016	1,772	359,646	35,496,668
1934.....	2,450	2,028	427,097	40,212,112
1935.....	2,600	2,122	523,132	47,964,068
1936.....	3,490	2,734	854,475	73,659,146
1937.....	3,792	3,128	1,055,736	97,087,995
1938.....	4,299	3,977	1,236,826	117,672,392
1939.....	4,782	4,677	1,459,377	145,803,444
1940.....	5,267	5,175	1,700,390	180,649,090
1941.....	5,663	5,506	1,907,694	216,557,977
1942.....	5,622	5,400	1,797,084	221,114,849
1943.....	5,285	5,124	1,721,240	228,314,723
1944.....	4,993	4,907	1,629,706	253,663,658
1945.....	4,923	4,858	1,626,364	281,524,015
1946.....	5,003	4,954	1,717,616	322,082,553
1947.....	5,155	5,097	1,893,944	380,751,106
1948.....	5,273	5,271	2,120,708	443,049,653
1949.....	5,427	5,402	2,271,115	510,726,465
1950.....	5,602	5,587	2,483,455	599,640,622
1951.....	5,881	5,886	2,732,495	693,613,296
1952.....	6,362	6,324	3,035,046	853,709,783
1953.....	7,096	6,986	3,380,121	1,040,874,593
1954.....	7,814	7,713	3,756,852	1,237,175,567
1955.....	8,387	8,258	4,121,421	1,476,014,239
1956.....	8,901	8,763	4,548,617	1,741,742,069
1957.....	9,463	9,314	4,963,813	2,021,144,713
1958.....	9,806	9,740	5,329,111	2,312,053,121
1959.....	10,054	9,961	5,676,636	2,676,095,037
1960.....	10,243	10,151	5,970,846	2,988,554,756
1961.....	10,341	10,296	6,335,840	3,353,819,784
1962.....	10,418	10,337	6,746,034	3,758,222,252

¹ Data not available.

² Revised.

* Prepared in the Statistics and Reports Branch, Bureau of Federal Credit Unions.

lected annual data on the operation of State-chartered credit unions in 1952, through a cooperative arrangement with the State credit union supervisors. Comparable data for earlier years were collected by the Bureau of Labor Statistics of the Department of Labor.

There were 10,418 active credit unions operating under State law at the end of 1962, and 10,337 of them (99.2 percent) reported on their operations for the year. The reporting credit unions had assets totaling more than \$3.75 billion and were serving more than 6.7 million members.

Members' savings passed the \$3 billion mark during 1962 and at the end of the year amounted to \$3,311.6 million. Of this amount, \$3,163.8 million represented members' shares and \$147.8 million their deposits. Members' loans outstanding increased at a more rapid rate (11.8 percent) than in 1961 (9.5 percent), and totaled \$2,914.9 million at the year's end.

The rate of increase was greater for dividends on shares paid to members of State-chartered credit unions (16.5 percent) than for any other

credit union activity shown in tables 3 and 4. Dividends amounted to \$125.8 million, or 73.4 percent of net earnings in 1962.

STATE ACTIVITIES

Substantially complete reports were received from all jurisdictions except Mississippi in 1962. Three States—Kentucky, Maine, and Virginia—were unable to report on membership, and 12 States had no information on net earnings and/or on dividends paid to members. The Bureau's estimates for these missing items are included in the totals for all areas.

Chartering activity continued to fall off in 1962, with a net gain in the number of active groups of only 0.7 percent, in comparison with 1.0 percent in 1961 and 2.0 percent in 1960. During 1962, 327 new charters were issued in 32 States. More than one-third of the charters approved during the year were issued in four States. Michigan issued 36 charters, Puerto Rico issued 34, and Iowa and Wisconsin each reported 22 new charters.

Almost half of all State-chartered credit unions are located in six States—Illinois, Michigan, Wisconsin, Ohio, California, and Missouri. In 1961 these States accounted for 48.2 percent of all charters issued and a third of the net gain for all States. In contrast, for 1962 they accounted for

TABLE 3.—Operations of State-chartered credit unions, 1962

State	Law enacted	Number of credit unions		Number of members	Total assets	Loans outstanding end of year	Paid-in share capital	Reserves	Net earnings	Dividends on shares
		Active	Reporting							
Total, 1961 ¹		10,341	10,296	² 6,335,840	\$3,353,819,784	\$2,607,007,640	\$2,832,274,850	\$179,951,581	\$148,600,000	\$108,000,000
Total, 1962 ¹		10,418	10,337	6,746,034	3,758,222,252	2,914,914,465	3,163,800,150	206,325,009	171,400,000	125,800,000
Alabama	1927	124	124	100,786	64,751,872	48,464,909	55,760,223	2,862,665	3,330,055	2,630,812
Arizona	1929	58	57	26,291	12,283,646	10,156,809	10,149,356	325,639	527,081	408,183
Arkansas	1931	72	72	23,203	8,389,731	6,660,185	7,370,921	365,023	(³)	297,748
California	1927	578	578	675,287	396,342,808	340,124,745	339,280,536	18,282,534	19,093,954	13,499,861
Colorado	1931	165	165	111,534	71,600,752	53,456,112	60,330,384	3,183,360	3,515,588	2,291,474
Connecticut	1939	169	169	69,695	32,769,397	23,993,435	28,816,300	1,221,068	1,563,000	894,549
District of Columbia	1932	16	16	26,680	9,427,947	7,567,104	8,244,114	634,753	770,771	336,890
Florida	1929	309	309	164,081	79,981,933	59,072,582	70,928,155	4,472,774	4,321,768	2,880,319
Georgia	1925	163	163	102,287	53,794,881	44,091,936	51,168,382	2,032,439	2,706,988	(³)
Idaho	1935	98	95	15,767	4,833,767	4,280,399	4,150,372	187,953	(³)	163,003
Illinois	1925	1,504	1,504	821,117	439,752,999	316,119,278	397,983,987	27,229,641	19,538,244	14,708,153
Indiana	1923	134	134	102,069	55,236,209	41,702,404	49,365,053	3,376,332	2,572,060	1,877,342
Iowa	1925	365	365	161,837	91,281,383	67,234,584	82,127,375	4,390,549	3,754,366	3,080,737
Kansas ⁴	1929	223	223	96,581	50,887,807	37,295,649	45,058,179	2,450,925	(³)	161,159
Kentucky ⁵	1922	136	136	(³)	31,739,280	24,174,567	27,353,063	2,208,049	(³)	(³)
Louisiana	1924	97	97	49,403	22,596,412	17,308,253	19,545,706	1,493,500	1,223,156	889,788
Maine	1939	25	25	(³)	8,791,067	7,138,142	7,285,597	820,855	394,813	270,995
Maryland	1929	41	41	61,597	26,448,106	20,923,428	20,737,892	1,878,543	1,295,819	971,732
Massachusetts	1909	441	441	434,744	239,489,697	171,291,016	202,223,020	21,025,001	(³)	(³)
Michigan	1925	785	782	569,244	349,208,760	283,280,384	308,559,449	13,923,253	15,647,114	11,527,571
Minnesota	1925	442	439	261,690	187,260,918	159,357,027	145,754,057	8,175,012	6,108,327	5,687,474
Mississippi ⁶	1924									
Missouri ⁴	1927	574	570	318,669	159,354,556	120,834,914	141,737,431	8,317,908	(³)	5,153,921
Montana	1929	29	28	9,825	3,712,794	3,212,794	2,914,066	149,089	158,917	92,457
Nebraska	1919	72	72	39,447	22,397,328	18,089,501	20,208,998	1,183,184	1,046,030	836,616
New Hampshire ⁵	1921	37	37	22,032	11,527,245	9,117,636	6,252,395	403,589	467,069	196,882
New Jersey	1924	69	69	38,020	15,245,486	5,645,941	13,874,930	853,647	579,648	436,220
New Mexico	1945	56	56	18,553	9,224,955	6,955,054	8,256,159	339,013	450,859	313,161
New York	1913	140	140	168,549	74,671,554	53,318,269	61,083,880	5,974,487	3,268,066	2,325,101
North Carolina	1915	213	211	108,461	42,017,127	31,103,163	35,034,914	2,506,405	1,435,516	1,323,808
North Dakota	1935	91	91	28,364	14,297,104	11,788,260	12,848,863	533,057	488,292	330,452
Ohio	1931	648	641	397,546	217,273,765	167,829,950	188,654,182	12,507,574	10,373,308	7,134,596
Oklahoma	1933	37	37	63,010	38,934,606	32,061,309	368,803	2,679,671	(³)	(³)
Oregon	1915	42	42	50,057	36,486,385	29,584,129	32,389,013	2,359,745	1,841,425	1,302,107
Pennsylvania	1933	129	129	95,162	40,513,747	25,580,092	33,857,738	2,527,408	1,461,169	1,385,381
Puerto Rico ⁵	1947	255	200	85,500	25,856,560	22,994,100	20,478,000	635,700	1,903,100	(³)
Rhode Island	1914	110	110	124,479	87,228,812	66,411,238	57,880,845	5,964,797	3,437,128	2,045,326
South Carolina	1915	41	41	31,758	12,461,944	10,332,900	10,947,062	502,387	601,358	309,916
Tennessee	1923	204	204	116,018	69,786,934	57,280,404	62,178,408	(³)	(³)	(³)
Texas	1913	408	406	287,033	171,199,113	142,956,406	151,621,319	5,435,491	8,662,340	6,867,699
Utah	1915	183	183	85,250	56,938,291	49,079,619	47,614,324	3,016,081	2,904,136	2,035,493
Vermont	1941	64	64	20,528	7,217,992	6,273,887	6,268,476	288,583	370,696	194,206
Virginia	1921	98	98	(³)	33,719,145	28,947,148	27,404,142	3,417,634	(³)	(³)
Washington	1933	156	156	181,203	109,154,326	78,073,563	96,035,053	5,191,417	5,735,111	4,188,811
West Virginia	1925	24	24	8,483	4,086,165	3,420,112	2,780,779	171,406	200,878	138,143
Wisconsin	1913	749	749	400,344	251,621,947	183,706,128	226,244,983	17,736,868	11,011,860	7,969,462

¹ Includes estimates for data not reported.

² Revised.

³ Data not reported.

⁴ Data for fiscal year ended Sept. 30.

⁵ Data for fiscal year ended June 30.

only 29.4 percent of the charters issued, and their combined effect on the net gain for all States was actually negative, since in four of them the number of active groups declined. The decline was for the second consecutive year in Illinois and for the third consecutive year in California.

Assets of State-chartered credit unions increased \$404.4 million or 12.1 percent from 1961 to 1962, compared with \$365.3 million or 12.2 percent from 1960 to 1961. In dollar amount this increase was the largest ever recorded and was only \$40 million less than total assets only 14 years earlier.

At the end of 1962, State-chartered credit unions in 10 States had total assets of more than \$100 million. In six of these States, total assets exceeded \$200 million. Illinois ranked first, with \$439.8 million, and was followed by California with \$396.3 million, Michigan with \$349.2 million, Wisconsin with \$251.6 million, Massachusetts with \$239.5 million, and Ohio with \$217.3 million. The 10 States accounted for two-thirds (67 percent) of total assets in 1962. Rates of increase were less than the national average of 12 percent in four of these States, slightly bettered it in four others, and jumped significantly to 22 percent in Texas and 21 percent in the State of Washington. The rate of increase for the 10 States combined was 11.8 percent, slightly less than the national average.

Membership in State-chartered credit unions increased by more than 410,000 or 6.5 percent in 1962. This gain was somewhat better than the 6.1-percent increase recorded in 1961. Membership

increased in all States except Oklahoma and West Virginia. Illinois led the States in total membership with 821,117, and California ranked second with 675,287 members.

REAL-ESTATE LOANS

Real-estate loans are expressly permitted in 23 of the 46 jurisdictions that have a local credit union law and are not permitted under the laws of four States—Connecticut, Idaho, Illinois, and New Jersey. The laws of 19 States are silent with respect to real-estate loans, although credit union agencies in more than half these States reported loans outstanding that were made for this purpose.

In the 27 States that reported on real-estate loans in 1962, such loans accounted for more than a fifth (21 percent) of their total loans outstanding at the year's end. Five States—California, Massachusetts, Michigan, Minnesota, and Wisconsin—held 67 percent of all outstanding loans that were secured by real estate. As a proportion of all loans outstanding, those secured by real estate, in individual States, ranged from more than 30 percent in Minnesota and Wisconsin to more than 40 percent in Massachusetts and New Hampshire and to 56 percent in Rhode Island.

Of the 27 States that reported real-estate loans outstanding, only 18 reported on the amount of all loans made during the year, and only 11 reported real-estate loans made during the year. An estimated \$102 million of the \$2.1 billion in loans

TABLE 4.—Selected data on State-chartered and Federal credit union operations, 1961 and 1962

Item	All credit unions		State-chartered ¹		Federal	
	1961	1962	1961	1962	1961	1962
Number in operation.....	20,612	21,050	10,341	10,418	10,271	10,632
Number reporting.....	20,567	20,969	10,296	10,337	10,271	10,632
Number of members.....	² 12,878,443	13,753,664	² 6,335,840	6,746,034	6,542,603	7,007,630
Total assets.....	\$6,382,113,722	\$7,188,026,755	\$3,353,819,784	\$3,758,222,252	\$3,028,293,938	\$3,429,804,503
Amount of loans outstanding.....	4,852,230,930	5,475,636,361	2,607,007,640	2,914,914,465	2,245,223,299	2,560,721,896
Paid-in share capital ³	5,505,763,148	6,184,074,490	2,832,274,850	3,163,800,150	2,673,488,298	3,020,274,340
Reserves.....	326,141,296	380,657,021	179,951,581	206,325,009	146,189,715	174,332,012
Net earnings.....	289,638,248	334,441,664	148,600,000	171,400,000	141,038,248	163,041,664
Dividends paid on shares.....	210,437,572	244,466,589	108,000,000	125,800,000	102,437,572	118,666,589
Average membership per credit union.....	² 626	656	² 615	653	637	659
Average assets per credit union.....	\$310,308	\$342,793	\$325,740	\$363,570	\$294,839	\$322,593
Average shares per member.....	² 428	450	² 447	469	409	431
Ratio (percent) of—						
Loans outstanding to shares.....	88.1	88.5	92.0	92.1	84.0	84.8
Loans outstanding to assets.....	76.0	76.2	77.7	77.6	74.1	74.7
Reserves to shares.....	5.9	6.2	6.4	6.5	5.5	5.8
Reserves to loans outstanding.....	6.7	7.0	6.9	7.1	6.5	6.8

¹ Partly estimated.
² Revised.

³ Excludes members' deposits in State-chartered credit unions amounting to \$134,281,000 (revised) in 1961 and \$147,773,000 in 1962.

made in 1962 in these 27 States was secured by real estate.

STATE AND FEDERAL CREDIT UNIONS

Aggregate data for 1961 and 1962 are shown in table 4 for State-chartered and Federal credit unions. The more than 21,000 credit unions in the United States operating under State or Federal charter at the end of 1962 had assets of nearly \$7.2 billion and loans outstanding of almost \$5.5 billion. Credit union members numbered 13.8 million in 1962 (approximately 7½ percent of the United States population), and they had saved more than \$6.3 billion in their credit unions alone. Reserves set aside to protect members' savings increased 16.7 percent and totaled \$380.7 million at the end of the year. Members received \$244.5 million in dividends during the year or 16 percent more than in 1961.

At the end of 1962, for the first time, the Federal credit unions in operation outnumbered the State-chartered groups. They also increased their slight lead in membership and now have 51 percent of all credit union members. Total assets, loans to members, members' shares, reserves, net earnings, and dividends paid on shares continue to be greater for State-chartered credit unions than for the Federal credit unions, but the difference was reduced in 1962 as Federal credit unions showed higher rates of increase for all activities except dividends.

Concurrent Receipt of OASDI and Workmen's Compensation, December 1960*

Old-age, survivors, and disability insurance and workmen's compensation are both forms of social insurance that protect workers against some of the financial hazards of disability. The former pays benefits to persons who have had a substantial connection with the labor force and who are severely and totally disabled for any reason; the latter pays benefits to persons injured in the course of employment. Some workers may, of

* Prepared by David H. Clark, Division of Research and Statistics.

course, be eligible for both types of payment. Because of this possible overlap there has been considerable interest in the number of persons concurrently receiving benefits under both programs and the portion of their wage loss thus being replaced.

Experience has provided some data of a limited nature on the number of workers who may be receiving benefits concurrently under both programs. When cash disability benefits under the Social Security Act were initiated in 1957, they were reduced by the amount of any other Federal disability benefit or any workmen's compensation payments, including lump-sum settlements. (This provision was rescinded, effective August 1958.) During the first 4 months of the program's operation, 2.7 percent of the cases in which disability benefits were awarded were subject to reduction because payments were made under a workmen's compensation program.

This note presents additional facts from a study of the extent and significance of overlapping benefits under the two programs. The study was based on a sample survey of persons living in selected areas and receiving disability benefits under the Social Security Act or with a "disability freeze."¹ Although this analysis deals with a relatively small sample of all disability beneficiaries and points up the need for obtaining more statistically significant and detailed information, it is hoped that the methodology developed will prove useful in any further studies of the extent of wage loss replaced in overlap cases.

SOURCE AND METHODOLOGY

In the fall of 1960 the Social Security Administration made a survey of workers who were receiving disability insurance benefits or had been allowed a "disability freeze" under the Social Security Act and were residing in one of the eight largest metropolitan areas² in June of that year. A stratified random sample was taken that con-

¹ Before the provision of cash benefits to disabled workers under age 50, which became effective in November 1960, these persons were eligible for a "disability freeze," which preserved their insurance status so that absence from work because of long-term disability would not cause reduction or loss of future benefit rights.

² New York, Los Angeles, Chicago, Philadelphia, Detroit, San Francisco, Boston, and Pittsburgh.